



## **DEPARTMENT OF AGRICULTURE**

### **Rural Utilities Service**

#### **Household Water Well System Grant Program Announcement of Application Deadlines**

**AGENCY:** Rural Utilities Service.

**ACTION:** Notice of Funding Availability and Solicitation of Applications.

**SUMMARY:** The Rural Utilities Service (RUS) announces its Household Water Well System Grant Program (HWWS) funding availability and application window for Fiscal Year (FY) 2014. RUS will make grants to qualified private non-profit organizations to establish lending programs for homeowners to borrow up to \$11,000 to construct or repair household water wells for an existing home. The HWWS Grant Program is authorized under 7 U.S.C. 1926e. Regulations may be found at 7 CFR 1776. Of particular note this year, the RUS will assign administrative discretion points to applications that:

1. Direct loans to rural areas where according to the American Community Survey data by census tracts show that at least 20 percent of the population is living in poverty. This emphasis will support Rural Development's (RD) goal of providing 20 percent of its funding by 2016 to these areas of need.

2. Direct loans to areas which lack running water, flush toilets, and modern sewage disposal systems, and areas which have open sewers and high rates of disease caused by poor sanitation, in particular, colonias or Substantially Underserved Trust Areas.

**DATES:** The deadline for completed applications for a HWWS grant is [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Applications in either paper or electronic format must be postmarked or time-stamped electronically on or before the deadline. Late applications will be ineligible for grant consideration.

**ADDRESSES:** Submit applications to the following addresses:

1. Electronic applications: <http://www.grants.gov> (Grants.gov). Submit electronic applications through Grants.gov, following the instructions on that website.

2. Paper applications: Water Programs Division, Rural Utilities Service, STOP: 1570, Room 2233-S, 1400 Independence Ave SW, Washington, DC 20250-1570.

Obtain application guides and materials for the HWWS Grant Program electronically or in paper format from the following addresses:

1. Electronic copies: <http://www.rurdev.usda.gov/UWP-individualwellsystems.htm>.

2. Paper copies: Write Water Programs Division, Rural Utilities Service, STOP: 1570, Room 2233-S, 1400 Independence Ave SW, Washington, DC 20250-1570 or call (202) 720-9589.

**FOR FURTHER INFORMATION CONTACT:** Joyce M. Taylor, Community Programs Specialist, Water Programs Division, Water and Environmental Programs.  
Telephone: (202) 720-9589, fax: (202) 690-0649, e-mail:  
[JoyceM.Taylor@wdc.usda.gov](mailto:JoyceM.Taylor@wdc.usda.gov).

**SUPPLEMENTARY INFORMATION:**

**Overview**

*Federal Agency:* Rural Utilities Service.

*Funding Opportunity Title:* HWWS Grant Program.

*Announcement Type:* Solicitations of Applications.

*Catalog of Federal Domestic Assistance (CFDA) Number:* 10.862.

*Due Date for Applications:* [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]

**Items in Supplementary Information**

**I. Funding Opportunity:** Description of the HWWS Grant Program.

**II. Award Information:** Available funds, maximum amounts \$1,019,000 available for grants from FY 2014 and prior year appropriations.

**III. Eligibility Information:** Who is eligible, what kinds of projects are eligible, what criteria determine basic eligibility.

**IV. Application and Submission Information:** Where to get application materials, what constitutes a completed application, how and where to submit applications, deadlines, items that are eligible.

**V. Application Review Information:** Considerations and preferences, scoring criteria, review standards, selection information.

**VI. Award Administration Information:** Award notice information, award recipient reporting requirements.

**VII. Agency Contacts:** Web, phone, fax, email, contact name.

## **I. Funding Opportunity**

### **A. Program Description**

The HWWS Grant Program has been established to help individuals with low to moderate incomes finance the costs of household water wells that they own or will own. The HWWS Grant Program is authorized under Section 306E of the Consolidated Farm and Rural Development Act (CONACT), 7 U.S.C. 1926e. The CONACT authorizes the RUS to make grants to qualified private non-profit organizations to establish lending programs for household water wells.

As the grant recipients, private non-profit organizations will receive HWWS grants to establish lending programs that will provide water well loans to individuals. The individuals, as loan recipients, may use the loans to construct, refurbish, and service their household well systems. A loan may not exceed \$11,000 and will have a term up to 20 years at a one percent annual interest rate.

### **B. Background**

The RUS supports the sound development of rural communities and the growth of our economy without endangering the environment. The RUS provides financial and

technical assistance to help communities bring safe drinking water and sanitary, environmentally sound waste disposal facilities to rural Americans in greatest need.

Central water systems may not be the only or best solution to drinking water problems. Distance or physical barriers make public central water systems costly to deploy in remote areas. A significant number of geographically isolated households without water service might require individual wells rather than connections to new or existing community systems. The goal of the RUS is not only to make funds available to those communities most in need of potable water but also to ensure that facilities used to deliver drinking water are safe and affordable. There is a role for private wells in reaching this goal.

### **C. Purpose**

The purpose of the HWWS Grant Program is to provide funds to private non-profit organizations to assist them in establishing loan programs from which individuals may borrow money for HWWS. Faith-based organizations are eligible and encouraged to apply for this program. Applicants must show that the project will provide technical and financial assistance to eligible individuals to remedy household well problems.

Due to the limited amount of funds available under the HWWS Grant Program, 10 applications may be funded from FY 2014 funds and prior year appropriations. Applications from existing HWWS grant recipients are acceptable and will be evaluated as new applications.

## **II. Award Information**

Funding Instrument Type: Grant.

Available funds: For competitive grants in FY 2014, RUS is making available \$1,019,000 from FY 2014 and prior year appropriations.

Anticipated Number of Awards: 10.

Length of Project Periods: 12-month project.

Assistance Instrument: Grant Agreement with successful applicants before any grant funds are disbursed.

### **III. Eligibility Information**

#### **A. Who Is Eligible for Grants?**

1. An organization is eligible to receive a HWWS grant if it:
  - a. Has an active registration with current information in the System for Award Management (SAM) (formerly Central Contractor Registry, (CCR)) and has a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number.
  - b. Is a private, non-profit organization.
  - c. Is legally established and located within one of the following:
    - (1) A state within the United States
    - (2) The District of Columbia
    - (3) The Commonwealth of Puerto Rico
    - (4) A United States territory
  - d. Has the legal capacity and authority to carry out the grant purpose.

- e. Has sufficient expertise and experience in lending activities.
- f. Has sufficient expertise and experience in promoting the safe and productive use of individually-owned HWWS and ground water.
- g. Has no delinquent debt to the Federal Government or no outstanding judgments to repay a Federal debt.
- h. Demonstrates that it possesses the financial, technical, and managerial capability to comply with Federal and State laws and requirements.
- i. Corporations that have been convicted of a felony (or had an officer or agency acting on behalf of the corporation convicted of a felony) within the past 24 months are not eligible. Any Corporation that has any unpaid federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability is not eligible.

2. An individual is ineligible to receive a Household Water Well grant. An individual may receive a loan from an organization receiving a grant award.

**B. What are the basic eligibility requirements for a project?**

- 1. Project Eligibility. To be eligible for a grant, the project must:
  - a. Be a revolving loan fund created to provide loans to eligible individuals to construct, refurbish, and service individually-owned HWWS (see 7 CFR 1776.11 and 1776.12). Loans may not be provided for home sewer or septic system projects.
  - b. Be established and maintained by a private, non-profit organization.

c. Be located in a rural area. Rural area is defined as locations other than cities or towns of more than 50,000 people and the contiguous and adjacent urbanized area of such towns and cities.

2. Required Matching Contributions. Grant applicants must provide written evidence of a matching contribution of at least 10 percent from sources other than the proceeds of a HWWS grant. In-kind contributions will not be considered for the matching requirement. Please see 7 CFR 1776.9 for the requirement.

3. Other—Requirements.

a. DUNS Number. The applicant for a grant must supply a Dun and Bradstreet Data Universal Numbering System (DUNS) number as part of an application. The Standard Form 424 (SF-424) contains a field for the DUNS number. The applicant can obtain the DUNS number free of charge by calling Dun and Bradstreet. Please see <http://fedgov.dnb.com/webform> for more information on how to obtain a DUNS number or how to verify your organization's number.

b. Prior to submitting an application, the applicant must register in the System for Award Management (SAM) (formerly Central Contractor Registry, (CCR)).

(1) Applicants may register for the SAM at

<https://www.sam.gov/portal/public/SAM/> .

(2) The SAM registration must remain active with current information at all times while RUS is considering an application or while a Federal Grant Award or loan is active. To maintain the registration in the SAM database the applicant must review and update the information in the SAM database annually from date of initial



registration or from the date of the last update. The applicant must ensure that the information in the database is current, accurate, and complete.

c. Eligibility to receive a HWWS loan will be based on the following criteria:

(1) An individual must be a member of a household of which the combined household income of all members does not exceed 100 percent of the median non-metropolitan household income for the State or territory in which the individual resides. Household income is the total income from all sources received by each adult household member for the most recent 12-month period for which the information is available. It does not include income earned or received by dependent children under 18 years old or other benefits that are excluded by Federal law. The non-metropolitan household income must be based on the most recent decennial census of the United States. A list of income exclusions is available at 7 CFR 3550.54(b). Also, the Department of Housing and Urban Development published a list of income exclusions in the Federal Register on April 20, 2001, at 66 FR 20318 (*See* “Federally Mandated Exclusions”).

(2) The loan recipient must own and occupy the home being improved with the proceeds of the Household Water Well loan or be purchasing the home to occupy under a legally enforceable land purchase contract which is not in default by either the seller or the purchaser.

(3) The home being improved with the water well system must be located in a rural area.

(4) The loan for a water well system must not be associated with the construction of a new dwelling.

(5) The loan must not be used to substitute a water well system for water service available from collective water systems. (For example, a loan may not be used to restore an old well abandoned when a dwelling was connected to a water district's water line.)

(6) The loan recipient must not be suspended or debarred from participation in Federal programs.

#### **IV. Application and Submission Information**

##### **A. Where to Get Application Information**

The Household Water Well System Grant Application Guide (Application Guide), copies of necessary forms and samples, and the HWWS Grant Program regulations are available from these sources:

1. Internet for electronic copies: <http://www.grants.gov> or <http://www.rurdev.usda.gov/UWP-individualwellsystems.htm>;

2. Water and Environmental Programs for paper copies:

RUS, Water Programs Division  
STOP 1570, Room 2233-S,  
1400 Independence Ave SW,  
Washington, DC 20250-1570,  
Telephone: (202) 720-9589  
Fax: (202) 690-0649

##### **B. Content and Form of Application Submission**

###### **1. Rules and Guidelines.**

a. Detailed information on each item required can be found in the HWWS Grant Program regulation (7 CFR part 1776) and the Application Guide. Applicants are

strongly encouraged to read and apply both the regulation and the Application Guide. This Notice does not change the requirements for a completed application for any form of HWWS financial assistance specified in the regulation. The regulation and Application Guide provide specific guidance on each of the items listed.

b. Applications should be prepared in conformance with the provisions in 7 CFR part 1776, subpart B, and applicable regulations including 7 CFR parts 3015 and 3019. Applicants should use the Application Guide which contains instructions and other important information in preparing their application. Completed applications must include the items found in the checklist in the next paragraph.

*2. Checklist of Items in Completed Application Packages:*

a. DUNS Number. The applicant for a grant must supply a Dun and Bradstreet Data Universal Numbering System (DUNS) number as part of an application. The Standard Form 424 (SF-424) contains a field for the DUNS number. The applicant can obtain the DUNS number free of charge by calling Dun and Bradstreet. Please see <http://fedgov.dnb.com/webform> for more information on how to obtain a DUNS number or how to verify your organization's number.

b. Prior to submitting an application, the applicant must register in the System for Award Management (SAM) (formerly Central Contractor Registry (CCR)).

(1) Applicants may register for the SAM at:

<https://www.sam.gov/portal/public/SAM/> .

(2) The SAM registration must remain active with current information at all times while RUS is considering an application or while a Federal Grant Award or loan is active. To maintain the registration in the SAM database the applicant must review

and update the information in the SAM database annually from date of initial registration or from the date of the last update. The applicant must ensure that the information in the database is current, accurate, and complete.

(3) Your organization must be listed in the SAM. If you have not used Grants.gov before, you will need to register with the SAM and the Credential Provider. New registrations can take 3-5 business days to process. Updating or renewing an active registration has a shorter turnaround, 24 hours. Registrations in SAM are active for one year. The SAM registers your organization, housing your organizational information and allowing Grants.gov to use the information to verify your identity. The DUNS number, Taxpayer Identification Number (TIN), and name and address of the applicant organization must match SAM data files.

c. The electronic and paper application process requires forms with the prefixes RD and SF as well as supporting documents and certifications.

### **Application Items**

1. SF-424, “Application for Federal Assistance”.
2. SF-424A, “Budget Information—Non-Construction Programs”.
3. SF-424B, “Assurances—Non-Construction Programs”.
4. SF- LLL, “Disclosure of Lobbying Activity”.
5. Form RD 400-1, “Equal Opportunity Agreement”.
6. Form RD 400-4, “Assurance Agreement (Under Title VI, Civil Rights Act of 1964).
7. Project Proposal, Project Summary, Needs Assessment, Project Goals and Objectives, Project Narrative.

8. Work Plan.
9. Budget and Budget Justification.
10. Evidence of Legal Authority and Existence.
11. Documentation of private non-profit status and Internal Revenue Service (IRS) Tax Exempt Status.
12. List of Directors and Officers.
13. Financial information and sustainability (narrative).
14. Assurances and Certifications of Compliance with Other Federal Statutes.

The forms in items 1 through 6 must be completed and signed where appropriate by an official of your organization who has authority to obligate the organization legally. RD forms are used by programs under the Rural Development mission area. Standard forms (SF) are used Government-wide. In addition to the sources listed in section A, the forms may be accessed electronically through the Rural Development website at <http://www.rurdev.usda.gov/FormsAndPublications.html>.

See section V, “Application Review Information,” for instructions and guidelines on preparing Items 7 through 13.

3. *Compliance with Other Federal Statutes.* The applicant must provide evidence of compliance with other Federal statutes and regulations, including, but not limited to the following:

- a. 7 CFR part 15, subpart A—Nondiscrimination in Federally Assisted Programs of the Department of Agriculture—Effectuation of Title VI of the Civil Rights Act of 1964.
- b. 7 CFR part 3015—Uniform Federal Assistance Regulations.

- c. 2 CFR part 417—Governmentwide Debarment and Suspension (Non-procurement).
- d. 7 CFR part 3018—New Restrictions on Lobbying.
- e. 7 CFR part 3019—Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Non-profit Organizations.
- f. 2 CFR part 421—Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).
- g. Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency.” For information on limited English proficiency and agency-specific guidance, go to <http://www.LEP.gov>.
- h. Federal Obligation Certification on Delinquent Debt.

**C. How Many Copies of an Application Are Required?**

1. Applications Submitted on Paper. Submit one signed original and two additional copies. The original and each of the two copies must include all required forms, certifications, assurances, and appendices, be signed by an authorized representative, and have original signatures. Do not include organizational brochures or promotional materials.

2. Applications Submitted Electronically. Additional paper copies are unnecessary if the application is submitted electronically through <http://www.grants.gov>.

**D. How and Where to Submit an Application**

1. Submitting Paper Applications.

a. For paper applications, mail or ensure delivery of an original paper application (no stamped, photocopied, or initialed signatures) and two copies by the deadline date to:

RUS, Water Programs Division,  
STOP 1570, Room 2233-S,  
1400 Independence Ave., SW,  
Washington, DC 20250-1570,  
Telephone: (202) 720-9589

Submit paper applications marked “Attention: Water and Environmental Programs.”

b. Applications must show proof of mailing or shipping by one of the following:

- (1) A legibly dated U.S. Postal Service (USPS) postmark;
- (2) A legible mail receipt with the date of mailing stamped by the USPS; or,
- (3) A dated shipping label, invoice, or receipt from a commercial carrier.

c. If a deadline date falls on a weekend, it will be extended to the following Monday. If the date falls on a Federal holiday, it will be extended to the next business day.

d. Due to screening procedures at the Department of Agriculture, packages arriving via the USPS are irradiated, which can damage the contents and delay delivery. RUS encourages applicants to consider the impact of this procedure in selecting an application delivery method.

## *2. Submitting Electronic Applications.*

a. Applications will not be accepted by fax or electronic mail.

b. Electronic applications for grants will be accepted if submitted through Grants.gov at <http://www.grants.gov>.

c. Applicants must preregister successfully with Grants.gov to use the electronic applications option. Application information may be downloaded from Grants.gov without preregistration.

d. Applicants who apply through Grants.gov should submit their electronic applications before the deadline.

e. Grants.gov contains full instructions on all required passwords, credentialing, and software. Follow the instructions at Grants.gov for registering and submitting an electronic application.

f. Grants.gov has two preregistration requirements: a DUNS number and an active registration in SAM. See the “Checklist of Items in Completed Application Packages” for instructions on obtaining a DUNS number and registering in the SAM.

g. You must be registered with Grants.gov before you can submit an electronic grant application.

(1) You must register at [http://www.grants.gov/applicants/get\\_registered.jsp](http://www.grants.gov/applicants/get_registered.jsp) .

(2) Organization registration user guides and checklists are available at [http://www.grants.gov/applicants/get\\_registered.jsp](http://www.grants.gov/applicants/get_registered.jsp).

(3) Grants.gov requires some credentialing and online authentication procedures. When an applicant organization is registered with SAM, the organization designates a point of contract who receives a password authorizing the person to designate staff members who are allowed to submit applications electronically through Grants.gov. These authorized organization representatives must be registered with Grants.gov to receive a username and password to submit applications. These procedures may take several business days to complete.



(4) Some or all of the SAM and Grants.gov registration, credentialing and authorizations require updates. If you have previously registered at Grants.gov to submit applications electronically, please ensure that your registration, credentialing and authorizations are up to date well in advance of the grant application deadline.

h. To use Grants.gov:

- (1) Follow the instructions on the website to find grant information.
- (2) Download a copy of an application package.
- (3) Complete the package off-line.
- (4) Upload and submit the application via the Grants.gov website.
- (5) If a system problem or technical difficulty occurs with an electronic application, please use the customer support resources available at the Grants.gov website.
- (6) Again, RUS encourages applicants to take early action to complete the sign-up, credentialing and authorization procedures at <http://www.grants.gov> before submitting an application at the website.

#### **E. Deadlines**

The deadline for paper and electronic submissions is [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Paper applications must be postmarked and mailed, shipped, or sent overnight no later than the closing date to be considered for FY 2014 grant funding. Electronic applications must have an electronic date and time stamp by midnight of [INSERT DATE 60

DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] to be considered on time. RUS will not accept applications by fax or e-mail. Applications that do not meet the criteria above are considered late applications and will not be considered. RUS will notify each late applicant that its application will not be considered.

**F. Funding Restrictions**

**1. Eligible Grant Purposes**

a. Grant funds must be used to establish and maintain a revolving loan fund to provide loans to eligible individuals for household water well systems.

b. Individuals may use the loans to construct, refurbish, rehabilitate, or replace household water well systems up to the point of entry of a home. Point of entry for the well system is the junction where water enters into a home water delivery system after being pumped from a well.

c. Grant funds may be used to pay administrative expenses associated with providing Household Water Well loans.

**2. Ineligible Grant Purposes**

a. Administrative expenses incurred in any calendar year that exceed 10 percent of the household water well loans made during the same period do not qualify for reimbursement.

b. Administrative expenses incurred before RUS executes a grant agreement with the recipient do not qualify for reimbursement.

- c. Delinquent debt owed to the Federal Government does not qualify for reimbursement.
- d. Grant funds may not be used to provide loans for household sewer or septic systems.
- e. Household Water Well loans may not be used to pay the costs of water well systems for the construction of a new house.
- f. Household Water Well loans may not be used to pay the costs of a home plumbing system.

## **V. Application Review Information**

### **A. Criteria**

This section contains instructions and guidelines on preparing the project proposal, work plan, and budget sections of the application. Also, guidelines are provided on the additional information required for RUS to determine eligibility and financial feasibility.

*1. Project Proposal.* The project proposal should outline the project in sufficient detail to provide a reader with a complete understanding of the loan program. Explain what will be accomplished by lending funds to individual well owners. Demonstrate the feasibility of the proposed loan program in meeting the objectives of this grant program. The proposal should include the following elements:

*a. Project Summary.* Present a brief project overview. Explain the purpose of the project, how it relates to RUS' purposes, how the project will be executed, what the project will produce, and who will direct it.

*b. Needs Assessment.* To show why the project is necessary, clearly identify the economic, social, financial, or other problems that require solutions. Demonstrate the well owners' need for financial and technical assistance. Quantify the number of prospective borrowers or provide statistical or narrative evidence that a sufficient number of borrowers will exist to justify the grant award. Describe the service area. Provide information on the household income of the area and other demographical information. Address community needs.

*c. Project Goals and Objectives.* Clearly state the project goals. The objectives should clearly describe the goals and be concrete and specific enough to be quantitative or observable. They should also be feasible and relate to the purpose of the grant and loan program.

*d. Project Narrative.* The narrative should cover in more detail the items briefly described in the Project Summary. Demonstrate the grant applicant's experience and expertise in promoting the safe and productive use of individually-owned household water well systems. The narrative should address the following points:

(1) Document the grant applicant's ability to manage and service a revolving fund. The narrative may describe the systems that are in place for the full life cycle of a loan from loan origination through servicing. If a servicing contractor will service the loan portfolio, the arrangement and services provided must be discussed.

(2) Show evidence of the availability of funds from sources other than the HWWS grant. Describe the contributions the project will receive from your organization, state agencies, local government, other federal agencies, non-government organizations, private industry, and individuals. The documentation should describe how the

contributions will be used to pay your operational costs and provide financial assistance for projects.

(3) Demonstrate that the organization has secured commitments of significant financial support from other funding sources.

(4) List the fees and charges that borrowers will be assessed.

2. Work Plan. The work plan or scope of work must describe the tasks and activities that will be accomplished with available resources during the grant period. It must include who will carry out the activities and services to be performed and specific timeframes for completion. Describe any unusual or unique features of the project such as innovations, reductions in cost or time, or extraordinary community involvement.

3. Budget and Budget Justification. Use the Form SF-424A, Budget Information – Non-Construction Programs, to show your budget cost elements. The form summarizes resources as Federal and non-Federal funds and costs. "Federal" refers only to the HWWS Grant Program for which you are applying. "Non-Federal" refers to resources from your organization, state agencies, local government, other Federal agencies, non-government organizations, private industry, and individuals. Both Federal and non-Federal resources shall be detailed and justified in the budget and narrative justification.

a. Provide a budget with line item detail and detailed calculations for each budget object class identified in section B of the Budget Information form (SF-424A).

Detailed calculations must include estimation methods, quantities, unit costs, and other

similar quantitative detail sufficient for the calculation to be duplicated. Also include a breakout by the funding sources identified in Block 15 of the SF-424.

b. Provide a narrative budget justification that describes how the categorical costs are derived for all capital and administrative expenditures, the matching contribution, and other sources of funds necessary to complete the project. Discuss the necessity, reasonableness, and allocability of the proposed costs. Consult OMB Circular A-122: "Cost Principles for Non-Profit Organizations" for information about appropriate costs for each budget category.

c. If the grant applicant will use a servicing contractor, the fees may be reimbursed as an administrative expense as provided in 7 CFR 1776.13. These fees must be discussed in the budget narrative. If the grant applicant will hire a servicing contractor, it must demonstrate that all procurement transactions will be conducted in a manner to provide, to the maximum extent practical, open and free competition. Recipients must justify any anticipated procurement action that is expected to be awarded without competition and exceed the simplified acquisition threshold fixed at 41 U.S.C. 134 (currently set at \$100,000).

d. The indirect cost category should be used only when the grant applicant currently has an indirect cost rate approved by the Department of Agriculture or another cognizant Federal agency. A grant applicant that will charge indirect costs to the grant must enclose a copy of the current rate agreement. If the grant applicant is in the process of initially developing or renegotiating a rate, the grant applicant shall submit its indirect cost proposal to the cognizant agency immediately after the applicant is advised that an award will be made. In no event, shall the indirect cost

proposal be submitted later than three months after the effective date of the award. Consult OMB Circular A-122 or successor guidance for information about indirect costs.

4. Evidence of Legal Authority and Existence. The applicant must provide satisfactory documentation that it is legally recognized under state or Tribal and Federal law as a private non-profit organization. The documentation also must show that it has the authority to enter into a grant agreement with the RUS and to perform the activities proposed under the grant application. Satisfactory documentation includes, but is not limited to, certificates from the Secretary of State, copies of state/Tribal statutes or laws establishing your organization, and copies of your organization's articles of incorporation and bylaws. Letters from IRS awarding tax-exempt status are not considered adequate evidence.

5. List of Directors and Officers. The applicant must submit a certified list of directors and officers with their respective terms.

6. IRS Tax Exempt Status. The applicant must submit evidence of tax exempt status from the Internal Revenue Service.

7. Financial Information and Sustainability. The applicant must submit pro forma balance sheets, income statements, and cash flow statements for the last three years and projections for three years. Additionally, the most recent audit of the applicant's organization must be submitted.

## **B. Evaluation Criteria**

Grant applications that are complete and eligible will be scored competitively based on the following scoring criteria:

Scoring Criteria	Points										
Degree of expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.	Up to 30 points										
Degree of expertise and successful experience in making and servicing loans to individuals.	Up to 20 points										
<p>Percentage of applicant contributions. Points allowed under this paragraph will be based on written evidence of the availability of funds from sources other than the proceeds of a HWWS grant to pay part of the cost of a loan recipient's project. In-kind contributions will not be considered. Funds from other sources as a percentage of the HWWS grant and points corresponding to such percentages are as follows:</p> <table> <tr> <td>0 to 9 percent</td><td>ineligible</td></tr> <tr> <td>10 to 25 percent</td><td>5 points</td></tr> <tr> <td>26 to 30 percent</td><td>10 points</td></tr> <tr> <td>31 to 50 percent</td><td>15 points</td></tr> <tr> <td>51 percent or more</td><td>20 points</td></tr> </table>	0 to 9 percent	ineligible	10 to 25 percent	5 points	26 to 30 percent	10 points	31 to 50 percent	15 points	51 percent or more	20 points	
0 to 9 percent	ineligible										
10 to 25 percent	5 points										
26 to 30 percent	10 points										
31 to 50 percent	15 points										
51 percent or more	20 points										
Extent to which the work plan demonstrates a well thought out, comprehensive approach to accomplishing the objectives of this part, clearly defines who will be served by the project, and appears	Up to 20 points										



likely to be sustainable.	
Extent to which the goals and objectives are clearly defined, tied to the work plan, and measurable.	Up to 10 points
Lowest ratio of projected administrative expenses to loans advanced.	Up to 10 points
Administrator's discretion, considering such factors as:	
Creative outreach ideas for marketing HWWS loans to rural residents; factors include:	Up to 10 points
<ol style="list-style-type: none"> <li>1. Directs loans to rural areas where according to the American Community Survey data by census tracts show that at least 20% of the population is living in poverty. This emphasis will support Rural Development's goal of providing 20% of its funding by 2016 to these areas of need;</li> <li>2. Directs loans to areas which lack running water, flush toilets, and modern sewage disposal systems, and areas which have open sewers and high rates of disease caused by poor sanitation, in particular, colonias or Substantially Underserved Trust Areas.</li> </ol>	

### **C. Review Standards**

1. Incomplete applications as of the deadline for submission will not be considered. If an application is determined to be incomplete, the applicant will be notified in writing and the application will be returned with no further action.

2. Ineligible applications will be returned to the applicant with an explanation.
3. Complete, eligible applications will be evaluated competitively by a review team, composed of at least two RUS employees selected from the Water Programs Division. They will make overall recommendations based on the program elements found in 7 CFR 1776 and the review criteria presented in this notice. They will award points as described in the scoring criteria in 7 CFR 1776.9 and this notice. Each application will receive a score based on the averages of the reviewers' scores and discretionary points awarded by the RUS Administrator.
4. Applications will be ranked and grants awarded in rank order until all grant funds are expended.
5. Regardless of the score an application receives, if RUS determines that the project is technically infeasible, RUS will notify the applicant, in writing, and the application will be returned with no further action.

## **VI. Award Administration Information**

### **A. Award Notices**

RUS will notify a successful applicant by an award letter accompanied by a grant agreement. The grant agreement will contain the terms and conditions for the grant. The applicant must execute and return the grant agreement, accompanied by any additional items required by the award letter or grant agreement.

### **B. Administrative and National Policy Requirements**

1. This notice, 7 CFR 1776, and the application guide implement the appropriate administrative and national policy requirements. Grant recipients are subject to the requirements in 7 CFR 1776.

2. Direct Federal grants, sub-award funds, or contracts under the HWWS Grant Program shall not be used to fund inherently religious activities, such as worship, religious instruction, or proselytization. Therefore, organizations that receive direct assistance should take steps to separate, in time or location, their inherently religious activities from the services funded under the HWWS Grant Program. Regulations for the Equal Treatment for Faith-based Organizations are contained in 7 CFR 16, which includes the prohibition against Federal funding of inherently religious activities.

### **C. Reporting**

1. *Performance Reporting.* All recipients of HWWS Grant Program financial assistance must provide quarterly performance activity reports to RUS until the project is complete and the funds are expended. A final performance report is also required. The final report may serve as the last annual report. The final report must include an evaluation of the success of the project.

2. *Financial Reporting.* All recipients of HWWS Grant Program financial assistance must provide an annual audit, beginning with the first year a portion of the financial assistance is expended. The grantee will provide an audit report or financial statements as follows:

a. Grantees expending \$500,000 or more Federal funds per fiscal year will submit an audit conducted in accordance with OMB Circular A-133. The audit will be

submitted within 9 months after the grantee's fiscal year. Additional audits may be required if the project period covers more than one fiscal year.

b. Grantees expending less than \$500,000 will provide annual financial statements covering the grant period, consisting of the organization's statement of income and expense and balance sheet signed by an appropriate official of the organization. Financial statements will be submitted within 90 days after the grantee's fiscal year.

3. *Recipient and Subrecipient Reporting.* The applicant must have the necessary processes and systems in place to comply with the reporting requirements for first-tier sub-awards and executive compensation under the Federal Funding Accountability and Transparency Act of 2006 in the event the applicant receives funding unless such applicant is exempt from such reporting requirements pursuant to 2 CFR part 170 Section 170.110(b). The reporting requirements under the Transparency Act pursuant to 2 CFR part 170 are as follows:

a. First Tier Sub-Awards of \$25,000 or more in non-Recovery Act funds (unless they are exempt under 2 CFR part 170) must be reported by the Recipient to <http://www.fsrs.gov> no later than the end of the month following the month the obligation was made.

b. The Total Compensation of the Recipient's Executives (5 most highly compensated executives) must be reported by the Recipient (if the Recipient meets the criteria under 2 CFR part 170) to <https://www.sam.gov/portal/public/SAM/> by the end of the month following the month in which the award was made.

c. The Total Compensation of the Subrecipient's Executives (5 most highly compensated executives) must be reported by the Subrecipient (if the Subrecipient

meets the criteria under 2 CFR part 170) to the Recipient by the end of the month following the month in which the subaward was made.

## **VII. Agency Contacts**

A. Website: <http://www.rurdev.usda.gov/UWP-individualwellsystems.htm>.

B. Phone: 202-720-0499.

C. Fax: 202-690-0649.

D. E-mail: [JoyceM.Taylor@wdc.usda.gov](mailto:JoyceM.Taylor@wdc.usda.gov).

E. Main point of contact: Joyce M. Taylor, Community Programs Specialist, Water Programs Division, Water and Environmental Programs, RUS, U.S. Department of Agriculture.

Dated: February 28, 2014.

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John Charles Padalino,  
Administrator,  
Rural Utilities Service.

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